Some Laws Governing Business and Earning a Living

Forward

All Praise is due to Allaah and may His choicest mercies be showered on His noble Rasul Muhammad (sallAllaahu-alayhi-wa-sallam).

This is a concise treatise containing some necessary injunctions about trade and commerce which commonly occur. It also contains several Aayaat (verses) of the Qur'aan and Ahadeeth of Rasulullaah (sallAllaahu-alayhi-wa-sallam). Anyone who derives benefit from this booklet should make du=aa for this lowly servant, his parents, his teachers and spiritual mentors.

Together with this booklet, the reader is urged to also read two other treatises of this lowly servant entitled AEarning Halaal and Fulfilling Rights@ and ATrusts and Misappropriation of Trusts@.

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The Importance and Necessity of Wealth

Allaah sent man into this world with everything having numerous needs and necessities. It was Allaah Who created all of these necessities. At the same time, Allaah also created the means whereby these necessities may be fulfilled. It is normally wealth that is instrumental in fulfilling many of these. Allaah has strongly warned wastage and extravagant people in the Qur'aan. Allaah says in Surah An=aam, **AEat, drink and do not be wasteful. Verily Allaah does not like those who waste.@** {Surah 6, verse 31}

Allaah also says in Surah Bani Israa'eel, **AVerily the extravagant ones are the brothers of the Shayaateen and Shaytaan was ever ungrateful to his Rabb.@** {Surah 17, verse 27}

Such Aayaat of the Qur'aan denote the importance of wealth. The Ahadeeth also condemn wastage of money very strongly. People who waste Halaal wealth in futile courses are dwelling under a misconception when they regard themselves to be religious. When wealth is lawfully earned or received in inheritance or as a gift, it should be spend carefully in the proper channels. One will be immensely rewarded for spending on one=s parents, wife and children as well.

It is Fardh to Earn a Lawful Living

Hadhrat Abdullaah bin Mas'ood (R.A) reports that Rasulullaah (sallAllaahu-alayhi-wa-sallam) said, AEarning a lawful living is Fardh (obligatory) after the other Fardh acts (like salaah, fasting, etc).@ It is obvious that one will be immensely rewarded for any Fardh act. On the contrary, the Shari'ah has emphatically condemned unlawful (Haraam) earnings and has urged Muslims to earn their wealth in a lawful manner. The Shari'ah has explicitly pinpointed the avenues in which Haraam wealth will be earned so that Muslims may steer clear of these.

Wealth that is earned in a Halaal manner should never be squandered in acts of sin and one should always be conscious of the rights owed to Allaah and fellow man with regard to wealth. If a person sincerely seeks Halaal earnings, he will certainly acquire the same. It is possible to find Halaal employment in practically every place to fulfil one=s needs. It is only the greed to become a tycoon and to accumulate a hefty bank balance that spurs people to earn wealth from Haraam and sinful sources. Such people conjure fanciful notions in their minds that they are driven by necessity, whereas no such situation exists.

Hadhrat Abdullaah bin Mas'ood (R.A) narrates that the Nabi (sallAllaahu-alayhi-wa-sallam) said, AHadhrat Jibra'eel (A.S) has inspired my heart that no soul shall ever die until it has finished its sustenance. Behold! Fear Allaah and adopt a most excellent manner of acquiring your livelihood. Let not a delay in the arrival of your livelihood spur you to earn it by disobeying Allaah because what Allaah has with Him (by way of rewards and blessings) can only be attained by obeying Him.@ {Mishkaat, quoting from Sharhus Sunnah and Bayhaqi}

The Reward for Spending on One=s Family

Hadhrat Abdullaah bin Umar (R.A) reports that a thin person once passed by a gathering of the Sahaaba (R.A) and Rasulullaah (sallAllaahu-alayhi-wa-sallam). Observing him, some Sahaaba (R.A) commented, AIf only he had become thin in Allaah=s path (Jihaad).@ Thereupon Rasulullah (sallAllaahu-alayhi-wa-sallam) commented, APerhaps he is exerting himself to provide for his aged parents. In that case, he would also be in Allaah=s path. Perhaps he is exerting himself to provide for his little children, in which case he would also be in Allaah=s path. Perhaps he is exerting himself to provide for himself so that he could be independent (and will not have to beg from others).@ In this case he will also be in Allaah=s path.@ {Durrul Manthoor Vol.1 Pg.73, quoting from Bayhaqi}

Hadhrat Sa=d bin Abi Waqqaas (R.A) reports that Rasulullaah (sallAllaahu-alayhi-wa-sallam) once said to him, AYou will be rewarded for everything that you spend for Allaah=s pleasure; to the extend that you will even be rewarded for the morsel of food that you place in your wife=s mouth.@ {Bukhari}

Hadhrat Abu Mas=ood (R.A) narrates that Nabi (sallAllaahu-alayhi-wa-sallam) said, **AWhen any Muslim spends on his family, regarding this as a virtuous act, this will be Sadaqa for him (i.e. he will receive the reward of Sadaqa).@** {Bukhari and Muslim}

Another hadith reads, **AThe Dinaar that you spend on your family is rewarded most greatly (in comparison to the Dinaars spend in other courses).@** {Muslim}

It is apparent from these narrations that lawfully earned wealth is indeed a bounty for a Muslim and will earn him tremendous rewards if he spends it on himself, his parents, his children and his wife. The fundamental principle is that one should never earn one=s livelihood through unlawful avenues. One should learn the injunctions of the Shari'ah that pertain to earning and continue learning the same so that one never accrues the sin of earning in a manner that contravenes the Shari'ah.

What is the Best Form of Earning?

Allaah has instituted a system by which necessities require other necessities. To fulfil their needs, one person may establish a clothing factory, another takes to the trade of shoe-making, a third person plants a garden while a fourth begins farming. There are others who prefer to seek employment in industries and those who opt to engage in business. In this manner, the needs of people are fulfilled by the occupations of others. The person who owns a clothing factory will need to purchase shoes and the shoe-maker will need to buy clothing. In a like manner, every person will require the vocation of others to see to his own needs.

In principle, there are only four methods of earning a livelihood. These are:

1. Trade.
2. Farming (which also includes forestry).
3. Seeking employment.

4. Through an acquired skill.

From these four, trade takes precedence. Starting with a little capital, many people start a business which gradually develops into a huge enterprise. There are great blessings in the wealth earned through the toil of one=s own hands.

Hadhrat Abdullaah bin Umar (R.A) narrates that **Rasulullah (sallAllaahu-alayhi-wa-sallam) was once asked about which manner of earning was best. Rasulullah (sallAllaahu-alayhi-wa-sallam) replied, AThe work a person does with his own hands (making articles of necessity for others) and that trade which is lawful.@** {Targheeb wat Tarheeb Vol. 2 Pg. 523, quoting from Tabraani}

Hadhrat Miqdaam bin Ma=dikarib (R.A) reports that the **Nabi (sallAllaahu-alayhi-wa-sallam) said, ANo person can eat anything better than that which he earns by the toil of his own hands. Verily Allaah=s Nabi Dawood (A.S) used to eat from the toil of his own hands.@** {Bukhari}

Hadhrat Dawood (A.S) used to sell coats of armour which he personally made.

The Islamic Principles of Trade

The Shari'ah of Islaam governs the institution of trade and commerce. However, many people foolishly feel that no laws govern the earning of one=s livelihood and one may earn in any way one pleases. Allaah declares in the Qur'aan, **AAllaah has permitted trade and forbidden interest@** {Surah Baqara, verse 275}. This Aayah of the Qur'aan forbids every transaction that involves interest.

The Shari'ah has also forbidden all transactions that contain the element of gambling because Allaah has forbidden gambling in following verse of Surah Baqara: **AThey question you about liquor and gambling. Say, >In both is great sin and some benefit for man; but the sin is far greater than their usefulness.@** {Surah 2, verse 219} [1]

The benefit accrued from anything does not prove that it is Halaal. Many Muslims merely view the benefits in things and have no regard for whether it is Halaal or Haraam. This totally contradicts the demands of true Imaan. Allaah says in Surah Nisaa, **AO you who believe, do not unjustly consume the wealth of each other except if it be by way of trade transacted with mutual consent. Verily Allaah is ever Most Merciful unto you.@** {Surah 4, verse 29}

The above verse clearly states that people should not **Aunjustly consume the wealth of each other@**. The author of "Ma'aalimut Tanzeel" (Vol.1 Pg.417) explains that this verse means: ADo not unjustly consume the wealth of each other through Haraam avenues like interest, gambling, extortion, stealing, misappropriating trusts and other similar methods. Other commentators have mentioned that the verse refers to invalid transactions.@

[1] This prohibition is clearly stated in Surah Maa=idah where Allaah says, **AO you who believe, indeed liquor, gambling, idols and divining arrows are filth from the acts of shaytaan, so abstain therefrom so that you may be successful@** [Surah 5, verse 90].

Therefore, the verse outlaws all transactions in trade, leasing, etc that are invalid because they do not conform with the Shari'ah. However, the words of the verse are general and denote all manners of earning wealth that are impermissible in the Shari'ah. Allaah then makes and exception when He says, **Aexcept if it be by way of trade transacted with mutual consent.@** The clause **Awith mutual consent@** denotes that transactions in trade will only be permissible when the buyer and seller are both happy with the deal. Neither party should be forced into the transaction.

It is Haraam to take an item after paying a price that the seller is not happy with. Similarly, it is also Haraam for the buyer to stipulate a price against the wishes of the seller. There are certain basic principles to be adhered to when acquiring wealth through lawful channels. These are:

- No deal should contain the elements of interest or gambling.
- No item should be sold which the Shari'ah classifies as Haraam.
- No item should be sold which is used exclusively for Haraam purposes.
- The seller must not lie or deceive the customer, either by concealing a fault of the item or in any other way.
- Neither party should breach the trust which the other places in him.
- Nothing may be sold which is not in the seller=s possession.
- This includes selling items which have not yet arrived;
  selling game, fish or birds that have not yet been caught; selling an animal that is still in the womb of its mother; selling fruit that has not yet grown.
- When a person is forced to sell anything, his arm should not be twisted further to sell at a reduced price. He should be paid the original asking price.
- No clause may be stipulated which binds one transaction to another, e.g. for the seller to tell the buyer, AI will only sell you these goods on condition that you sell me your goods at a reduced price.@
- No transaction may be bound to a loan, e.g. for the seller to say, AI will only sell this to you if you grant me a loan.@
  The buyer and the seller should be happy with the deal.

Besides the above, there are many more basic injunctions relating to trade and commerce which are stipulated in the Ahadeeth. A few Ahadeeth with their explanations shall now follow.

Invalid Transactions

Hadhrat Jaabir (R.A) narrates that Rasulullaah (sallAllaahu-alayhi-wa-sallam) mentioned the following upon the conquest of Makkah, AVerily Allaah and His messenger have forbidden the sale of liquor, carrion, swine and idols.@ Someone asked, AO Rasulullah (sallAllaahu-alayhi-wa-sallam)! What about the fat of carrion that people use to coat boats, anoint leather and light lanterns?@ The Nabi (sallAllaahu-alayhi-wa-sallam) replied, AThis should not be done. The fat is also Haraam. Allaah=s curse be on the Jews! Allaah forbade the fat for them but they made the fat into attractive forms and then sold it to devour the profits.@ [Mishkaat Pg. 241]

Hadhrat Abu Juhayfa (R.A) reports that Rasulullah (sallAllaahu-alayhi-wa-sallam) forbade the profits earned from blood, dogs and prostitution. Rasulullah (sallAllaahu-alayhi-wa-sallam) also cursed the giver of interest, and taker of interest, the woman who tattoos others, the woman who has her body tattooed and the person who makes pictures.

It is clear from the hadith of Hadhrat Jaabir (R.A) that it is Haraam to sell liquor, carrion, swine and idols. Included in the purport of idols are all figurines and pictures of animate objects. It is therefore evident that the trade of Muslims who sell these items in places like Europe and America is Haraam. The accrued profits are therefore also Haraam.

All animals that have not been slaughtered in accordance with the Shari'ah are classified in the same category as carrion. If a person intentionally omits to recite ABismillah@ when slaughtering an animal, the animal will also be regarded to be carrion even though the slaughterer is a Muslim. A pig can never become Halaal or pure even if it is slaughtered like other animals are slaughtered.

In the above hadith of Hadhrat Jaabir (R.A), Rasulullah (sallAllaahu-alayhi-wa-sallam) cursed the Jews for selling Haraam fat in a disguised form. It is clear from this hadith that something Haraam cannot be regarded as Halaal by changing its appearance or label or by chemically beautifying it; even though it may be given a sweet scent or different colour. It is common nowadays for people to change the appearance or names of Haraam things. Such schemes will not alter the forbidden status of these things. They will remain Haraam just as interest will not become Halaal by terming it as a profit.

The Instruction to Adopt Honesty and - Trustworthiness in Business Dealings

Hadhrat Abu Sa'eed Khudri (R.A) reports that Rasulullah (sallAllaahu-alayhi-wa-sallam) said, AThe truthful and trustworthy businessman will be amongst the Ambiya (A.S), the Siddiqeen and the martyrs on the Day of Qiyaamah.@ {Tirmidhi}

This hadith conveys a great glad tiding to businessmen, telling them that when they adopt honesty and trustworthiness in their businesses, they can reap tremendous rewards while earning their living. Hadhrat Rifaa=ah (R.A) narrates that businessmen will be raised on the Day of Qiyaamah with wretched people, except for those businessmen who were abstinent, adopted piety in their deeds and remained truthful. This hadith mentions the general plight of businessmen as being grave because businessmen are generally guilty of taking false oaths and lying to their customers. One will commonly hear businessmen falsely saying, AI paid a high price for the goods@ or AThis is the price it sells for.@ Of course, those businessmen who adopted piety in their businesses will be excluded from this terrible plight on the Day of Qiyaamah.

Many businessmen deceive their customers by having their suppliers make out an invoice that states an inflated figure. They then show this to the customer, telling him that they purchased the item at the price reflected on the invoice. Showing this deceptive cost price to the customer, they tell him, AHow can I sell this item to you below my cost price? There are till transport costs that I had to pay in addition to this.@ This deception is Haraam. The supplier who made out the deceptive invoice will also be guilty of the sin.

It is also Haraam to tell a customer that the goods are new whereas they are old or vice versa. Similarly, it is also a sin to tell a customer that an item is a product of a certain country when it is not. Some businessmen even stamp false labels on products to make it appear that these were manufactured in countries where they were not made. Such acts are misleading and Haraam.

The Sin of Taking Oaths to Sell Goods

Hadhrat Abu Hurairah (R.A) narrates that Rasulullah (sallAllaahu-alayhi-wa-sallam) said, AOaths sell goods but destroy blessings.@ {Bukhari and Muslim}

Hadhrat Abu Dharr (R.A) reports that Rasulullah (sallAllaahu-alayhi-wa-sallam) said to him, AAllaah will not speak (affectionately) to three persons on the Day of Qiyaamah, nor will He look at them (with mercy) nor purify them.@ Thereupon, Hadhrat Abu Dharr (R.A) remarked, AEvil is their plight! What a loss do they suffer! Who are these people?@ Rasulullah (sallAllaahu-alayhi-wa-sallam) replied, AOne is the person whose garments hang below his ankles. The other is the person reminds people of the favours he did for them, and the third is the person who sells his goods using false oaths.@ {Muslim}

Hadhrat Qais (R.A) relates that Rasulullah (sallAllaahu-alayhi-wa-sallam) once addressed them saying, AO traders! Verily oaths and futile talks take place in business. Therefore, maintain a constant mixture of Sadaqa.@ {Abu Dawood}

Businessmen should therefore exercise the utmost caution when trading. They should never take oaths to sell goods, neither should they exaggerate when describing their wares or ascribe attributes to their goods which are not found. However, it occurs that even those traders who are cautious of these matters will find themselves guilty of futile talk and taking oaths. To defray the ill-effect of this absentmindedness, traders should ensure that they continuously give Sadaqa.

The Sins of Deceiving, Mixing Goods and Breaching a Trust

Hadhrat Abu Hurairah (R.A) reports that Rasulullah (sallAllaahu-alayhi-wa-sallam) once passed a heap of grain that was for sale. When Rasulullah (sallAllaahu-alayhi-wa-sallam) thrust his hand in the heap, he felt that they were wet inside. He then asked the salesman, AWhat is this?@ He replied, AO Rasulullah (sallAllaahu-alayhi-wa-sallam)! Rain got to it (therefore, the inside is still wet while only the outside dried).@ Rasulullah (sallAllaahu-alayhi-wa-sallam) asked him why he did not place the wet portion on top so that people would know that it is wet. Rasulullah (sallAllaahu-alayhi-wa-sallam) then added, AThe one who deceives us is not from me (i.e. has no relationship with me and not one of my sincere followers).@ {Muslim}

Rasulullah (sallAllaahu-alayhi-wa-sallam) used the Arabic word Aghasha@ at the end of the hadith. This word denotes deception, breaching of a trust and pulling wool over people=s eyes. This would therefore refer to all methods employed in business to mislead a customer, like mixing the goods with things of inferior value to lend quantity to it, to conceal a fault in the commodity, etc.

Hadhrat Waathila bin As=qah (R.A) narrates that **Nabi (sallAllaahu-alayhi-wa-sallam) said, AWhoever sold a defective item without disclosing the defect to the customer, then he (the seller) shall continuously remain under Allaah=s wrath (or, according to another narration) the angels will continue cursing him.@** {Ibn Majah}

Hadhrat Abu Hurairah (R.A) reports from **Rasulullah (sallAllaahu-alayhi-wa-sallam) that Allaah says, AI am the third of two transacting partners as long as long as one does not cheat the other. As soon as one cheats the other, I leave the two of them.@** {Abu Dawood}

This hadith means that as long as the buyer and seller deal honestly with each other, Allaah shall continue to assist them and bless their wealth. However, as soon as any of them cheats or deceives the other in any way, Allaah withdraws His assistance and blessings because Shaytaan has now crept between the two. The Arabic word Akhiyaanah@ (translated above as Acheat@) refers to any act that contradicts trustworthiness.

All Forms of Gambling are Haraam

Hadhrat Abu Hurairah (R.A) reports that Rasulullah (sallAllaahu-alayhi-wa-sallam) forbade trade that is conducted by throwing stones and all deceptive trade. {Muslim}

ATrade that is conducted by throwing stones@ refers to a practice of the Arabs in the past when a buyer would throw a stone into a shop and become the owner of whatever item the stone strikes. He would then have to pay whatever amount the seller stipulates, be it small or big. The transaction would therefore be concluded on an item that has not been specified from the beginning. There are many other forms of gambling of this nature that occur in business, which are to the detriment of either the buyer or the seller. The Muslim jurists have termed such transactions as AMukhaatara@ because a person can neither be certain about the nature of the goods nor the quantity. One of the parties involved stand to lose something in the process and is therefore Haraam. It is indeed unfortunate that such deals are becoming increasingly common nowadays.

Selling Fruit

Hadhrat Ali (R.A) reports that Nabi (sallAllaahu-alayhi-wa-sallam) forbade them from purchasing the goods of a desperate person, from deceptive trade, and from selling fruit from a tree before the fruit is ready to be used. {Abu Dawood}

The Adesperate person@ mentioned in the hadith refers to a traveller who is forced to sell some of his possessions because he lost his wealth in a robbery or another calamity. Such a person should be assisted without taking his possessions. However, if his possessions have to be sold, the buyer should not exploit the desperation of the traveller to secure a lower price. If the buyer cannot pay higher than the asking price, he should at least pay the original asking price.

Fruit may only be sold when they can be put to use. It is forbidden to transact a sale while the fruit has not yet grown to this degree.

Selling Something That is Not in One=s Possession

Hadhrat Hakeem bin Hizaam (R.A) narrates that he once asked, AO Rasulullah (sallAllaahu-alayhi-wa-sallam)! A person wants to buy something from me which I do not have in my possession. (When the transaction is concluded) I purchase the item from the marketplace (and sell it to him).@ Rasulullah (sallAllaahu-alayhi-wa-sallam) said, ADo not sell anything that is not in your possession.@ {Mishkaat}

This hadith teaches us a fundamental principle of trade. It is common practice nowadays for people to sell an item many times over when the goods are still on board a cargo ship that has not even reached the docks. Such a practice is forbidden in the Shari'ah and regarded as an invalid transaction. Similar will be the case of fruit that is sold years before they have grown.

It may occur that a person tells a buyer that he has set up a trap and will sell to the buyer all the birds that will be caught in the trap for a stipulated price. In a similar case, a fisherman may propose to a buyer that he will sell to him all the fish that are caught in the net he has cast for a stipulated price. Both these transactions are forbidden and regarded as invalid in the Shari'ah.

Governments sometimes lease a portion of the coast to fishermen with the understanding that they will pay the government a certain sum for the fish that catch there within the period of the lease. This transaction also contravenes the Shari'ah because the fish in the sea or in a river is not the property of anyone and can therefore not be sold until it is caught.

It is not permissible for a buyer to resell an item before taking possession of the same. Hadhrat Abdullaah bin Umar (R.A) relates that some people used to purchase grains from the upper part of the marketplace and sell it there and then. Rasulullah (sallAllaahu-alayhi-wa-sallam) stopped this practice saying, AWhen anyone purchases grain he may not resell it until he takes possession of it.@ {Mishkaat}

With regard to the above hadith, Hadhrat Abdullaah bin Abbaas (R.A) says, AI believe that this law applies to all goods besides grains as well.@ {Mishkaat}

Selling Goods by Weight and Measure

Hadhrat Ubaadah bin Saamit (R.A) narrates that the Nabi (sallAllaahu-alayhi-wa-sallam) said, AGold for gold, silver for silver, wheat for wheat, barley for barley, dates for dates and salt for salt may only be bartered in directly proportional amounts and with one hand giving while the other hand is receiving at the same time. If the type of commodities being bartered are different, you may barter as you please (i.e. with varying quantities from either party) on condition that the transaction is hand to hand and immediate.@ {Muslim}
Hadhrat Abu Sa'eed Khudri (R.A) has narrated a similar hadith in which Rasulullah (sallAllaahu-alayhi-wa-sallam) adds, A(When the commodities are alike) the person who demands more or pays more, then he has indulged in a usurious transaction.@ {Muslim}

The hadith of Hadhrat Ubaadah bin Saamit (R.A) mentions six commodities. According to Hadhrat Imaam Abu Haneefa (A.R), some of these commodities used to be sold by weight during the time of Rasulullah (sallAllaahu-alayhi-wa-sallam), while others used to be sold by measure. Therefore, even though the bartered commodities are items other than the above six, they should be bartered in exactly corresponding quantities when the type is the same. It is not permissible for either party to give or take more or less than the opposite party. In this case it is also not permissible for one party to pay his share at a later stage. However, if each party has a different commodity, it is permissible for the quantities to differ as long as the transaction is concluded before the two separate.

RULING: The quality of a commodity will not be taken into consideration when two persons are bartering a commodity of identical type. Even if new gold is bartered for old gold, new silver for old silver or first grade dates are bartered for third grade dates, it is incumbent for the quantity to be the same from both ends. If such an exchange needs to be done, one person should purchase the commodity from the other in exchange for money, whereafter the other should use the money to purchase from the first person.

The Detriment of Cheating in Weight and Measure

Allaah says in Surah Mutaffifeen, AWoe to the cheaters. Those who, when they take measure from mankind, demand in full. But if they measure people or weigh for people, they cause them loss. Do such men not consider that they will be raised again? Unto an awful day; the day when all of mankind will stand before the Rabb of the universe.@ {Surah 83, verses 1 to 6}

These verses of the Qur'aan express the severity of the sin of cheating people when weighing and measuring. People are often found guilty of under weighing merchandise and devising methods whereby their scales reflect a higher weight than it should. Allaah reminds such people about the Day of Qiyaamah when they will realise the folly of their ways and pay for it. People should contemplate about the fact that the consequences of deceiving others and plundering their rights shall have to be faced in this world as well as in the Hereafter.

Hadhrat Abdullaah bin Abbaas (R.A) has narrated that **Rasulullah (sallAllaahu-alayhi-wa-sallam) once addressed some traders involved in weighing and measuring. He told them that certain previous Ummahs were destroyed because of this occupation (i.e. when they were dishonest).** {Tirmidhi}

The nation of Hadhrat Shu=ayb (A.S) initiated the practice of cheating in weight and measure. They refused to desist from this evil practice despite his efforts to advise them. They were eventually destroyed when Allaah=s punishment struck them. This episode is described in Surah Shu=araa.

Hadhrat Abdullaah bin Abbaas (R.A) has narrated that the sustenance of people who cheat in weight and measure is cut (i.e. diminished or deprived of blessings). {Mu=atta of Maalik}

The Shari'ah forbids giving a customer less than what he is paying for. In fact, Rasulullah (sallAllaahu-alayhi-wa-sallam) has instructed us to rather give a little extra. Rasulullah (sallAllaahu-alayhi-wa-sallam) was once passing by a person who was employed to weigh goods for a trader. Addressing him, Rasulullah (sallAllaahu-alayhi-wa-sallam) said, AWeigh and add to the weight.@ {Abu Dawood and Tirmidhi}

Prohibition from Withholding Grains During Times of Need

Hadhrat Umar (R.A) narrates that the Nabi (sallAllaahu-alayhi-wa-sallam) said, AThe one who brings goods (from out of his town to resell) shall be sustained and the one who practises >Ihtikaar= is cursed.@ {Ibn Majah and Daarmi}

AIhtikaar@ refers to stockpiling staple grains and refusing to sell it to people during times of need so that it may be sold at a later stage when prices will be higher. Such people are cursed because their only concern is to increase their personal wealth and they have no compassion for the general public.

Hadhrat Umar (R.A) has also narrated that Rasulullaah (sallAllaahu-alayhi-wa-sallam) said, AAllaah will inflict the punishments of leprosy and poverty on the person who withholds staple grains from the Muslims.@ {Ibn Majah}
Hadhrat Mu=aadh (R.A) reports that Nabi (sallAllaahu-alayhi-wa-sallam) said, AEvil is the person who withholds grains from people (during a time of need) and (whose nature is such that he) is distressed when prices fall and exuberant when prices rise.@ {Mishkaat}

Amounts Taken in Excess of the Loan Given will be Interest

It is only permissible to claim from a debtor the amount that was originally lent to him. Whatever excess is claimed will be regarded as interest; irrespective of whether the excess was agreed on verbally, in writing or intended in the heart. Everyone is well aware of the fact that interest is Haraam. In fact, whatever benefit a creditor derives from the wealth of a debtor will also be regarded as interest. The Muslim jurists have stated the following rule: AEvery loan that earns a profit is interest.@

Hadhrat Anas bin Maalik (R.A) narrates that Rasulullaah (sallAllaahu-alayhi-wa-sallam) said, AWhen any person gives a loan to another, whereafter the debtor presents a gift to the creditor, or offers him a lift on his conveyance, the creditor should not accept the lift nor the gift. He may only accept these if the two used to exchange gifts before the loan.@

Hadhrat Abu Hurairah (R.A) reports that he once met Hadhrat Abdullaah bin Salaam (R.A) when he arrived in Madinah. Hadhrat Abdullaah bin Salaam (R.A) told him, AYou live in an area where interest is common. Therefore, if your debtor brings to you chaff, a bundle of wood, or even some grass, do not accept this because it is interest.@ {Bukhari}

It has been reported about Hadhrat Imaam Abu Haneefa (A.R) that when he collected a debt from any debtor, he did not even stand in the shade of a wall belonging to his debtor so that the benefit of shade should not become interest.

Deriving any Benefit from a Pawned Article is Regarded as Interest

RULING: When a person leaves any item as a pawn (called ARahan@ in Arabic) with a creditor, it is done so that the creditor may be assured that the debtor will honour his debt. In this way, the debtor will be concerned about repaying the debt so that he does not lose the article he pawned. When the debtor is incapable of paying the debt, the creditor may sell the item to recover his debt. If the pawned article fetches higher than the debt, the excess will have to be returned to the debtor. The details of ARahan@ may be found in the books of Islamic jurisprudence.

It is not permissible for the creditor to derive any benefit from the pawned article because this will be regarded as interest. It is common in certain places that a creditor lives in the pawned house of his debtor and also collects the debt in full. This practice is Haraam because it constitutes interest.

RULING: When accepting a pawned article, some creditors stipulate the clause that the transaction will be regarded as a sale if the debtor does not pay the debt within a specified period. Such a clause is invalid in the Shari'ah. Even if it is agreed upon, the transaction will remain one of ARahan@ when the debtor fails to pay within the period.

Pay the Employee Quickly and Pay in Full

Hadhrat Abdullaah bin Umar (R.A) narrates that Rasulullaah (sallAllaahu-alayhi-wa-sallam) said, APay the employee even before his perspiration dries.@ {Ibn Majah}

Hadhrat Abu Hurairah (R.A) reports from Rasulullaah (sallAllaahu-alayhi-wa-sallam) that Allaah will Himself be a plaintiff against three persons on the Day of Qiyaamah. These will be:

1. The person who took a pledge in Allaah=s name and then breached the pledge.
2. The person who sold a free person as a slave and devoured the profit.
3. The person who employed someone, extracted the required labour from him and then did not pay his wages. {Bukhari}

These Ahadeeth emphasise the importance of paying one=s employees quickly and in full. The second hadith also highlights the grave sin of breaching a pledge and selling people as slaves when they are not slaves. The practice of people in certain areas is therefore Haraam who sell their daughters to others and those who sell their sons as labourers.

Auctions

It is permissible to hold a public auction to sell goods. The Islamic jurists (AFuqahaa@) refer to auctions as ABay=u min Zeed@. Rasulullaah (sallAllaahu-alayhi-wa-sallam) once auctioned a piece of sackcloth and a cup to the Sahaaba (R.A) saying, AWho will buy these two items?@ Someone said, AI will buy them for one Dirham.@ Thereupon, Rasulullaah (sallAllaahu-alayhi-wa-sallam) said, AWho will buy them for more than one Dirham?@ When another Sahaabi offered to pay two Dirhams, Rasulullaah (sallAllaahu-alayhi-wa-sallam) sold it to him. {Abu Dawood and Tirmidhi}

However, the practice of selling the item only to the final bidder is incorrect in terms of the Shari'ah because the seller still reserves the choice of selling it to him at the end or refusing to sell. It is also wrong for the seller to pay the final bidder when he decides against selling the article to him. It is Haraam for the bidder to accept the money.

Hiring Out a Stud Animal

Hadhrat Anas bin Maalik (R.A) reports that someone once posed a question to Rasulullaah (sallAllaahu-alayhi-wa-sallam) saying, AWe do not have many animals. What do you say if we hire out our animal to others who have female animals so that he may mate with them?@ When Rasulullaah (sallAllaahu-alayhi-wa-sallam) forbade this, he posed a further question saying, AO Rasulullaah (sallAllaahu-alayhi-wa-sallam)! Is it permissible for us to accept the gifts that people give us for allowing our stud to mate with their animals?@ Rasulullaah (sallAllaahu-alayhi-wa-sallam) permitted accepting such gifts.

The Virtue of Cancelling the Transaction of a Remorseful Customer

Hadhrat Abu Hurairah (R.A) narrates that Rasulullaah (sallAllaahu-alayhi-wa-sallam) said, AOn the Day of Qiyaamah, Allaah will revoke the sins of that person who revokes the transaction of a Muslim.@ {Abu Dawood and Ibn Majah}

This hadith means that if a person sold an article perhaps forgetfully or because of a pressing need and then regretted the sale, it will be an act of great virtue for the buyer to return the article and reclaim the price. It is not incumbent on the buyer to return the article because the transaction was already concluded. However, should he take pity on the remorseful seller and revoke the deal by returning the article, he will be immensely rewarded and pardoned for all his sins. The same will apply on the converse if the buyer regrets purchasing the article and requests a refund from the seller. In this case, the seller will be tremendously rewarded for revoking the deal and refunding the buyer.

Good Advice

Hadhrat Naafi (A.R) reports that he used to take his merchandise from Shaam (Syria) to sell in Egypt. When it once occurred to him to rather take his merchandise to sell in Iraq, he sought ***advice from Hadhrat Aa'isha*** (R.A). Hadhrat Aa'isha (R.A) advised him not to do so because she had heard

Rasulullaah (sallAllaahu-alayhi-wa-sallam) say, A**When Allaah fixes a particular means of sustenance for a person, Allaah will not change it till the person himself leaves it.**@ {Ahmed and Ibn Majah}

This advice means that a person should not change his means of earning unless adverse situations force him to do so e.g. unfavourable conditions arise, the safety of his merchandise is at risk, etc.